

LAW OFFICES  
**MITCHELL, McNUTT & SAMS**  
A PROFESSIONAL ASSOCIATION

1216 VAN BUREN  
POST OFFICE BOX 947  
OXFORD, MISSISSIPPI 38655-0947  
(662) 234-4845  
FACSIMILE NO. (662) 234-9071

CC 10# 128687

1-26-01 11:59:22

GUY MITCHELL, SR. (1881-1969)  
GUY MITCHELL, JR. (1912-1986)

I. F. SAMS, JR.  
GUY W. MITCHELL, III  
WILLIAM C. SPENCER  
DAVID L. SANDERS  
JAMES L. CARROLL  
CLAUDE F. CLAYTON, JR.  
WENDELL H. TRAPP, JR.  
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RONALD L. ROBERTS  
ALBERT G. DELGADILLO  
JOHN S. HILL  
MICHAEL D. FERRIS  
RICHARD H. SPANN

JAMES ARDEN BARNETT, JR.  
TIMOTHY W. LINDSAY  
OTIS R. TIMS  
DONNA M. BARNES  
H. RICHMOND CULP, III  
MICHAEL D. CHASE  
JIM WARREN  
MARTHA BOST STEGALL  
JOHN G. WHEELER  
TACEY CLARK CLAYTON  
D. ANDREW PHILLIPS  
GREGG A. CARAWAY  
MYLES A. PARKER  
D. BRADLEY WALSH  
JEFFREY J. TURNAGE  
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WILLIAM G. ARMISTEAD

I. BRADLEY DILLARD, SR.  
DON L. FRUGE, JR.  
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J. CHADWICK MASK  
DAVID A. PRATHER  
HOLLY S. MATHEWS  
DAVID W. SHELTON  
TERENCE L. HIGH  
KATE MARGOLIS  
TREY BOURN  
MELISSA A. HARRISON  
S. RAY HILL, III  
ZACH SCRUGGS

COUNSEL  
SONIA A. JENKINS  
ELIZABETH JANE HICKS  
OF COUNSEL  
R. N. McNUTT  
WADE H. LAGRONE  
W. H. JOLLY, JR.

\*ALSO ADMITTED IN TN  
\*\*ALSO ADMITTED IN AL  
\*\*\*ALSO ADMITTED IN NY

OTHER OFFICES:  
COLUMBUS, MS  
CORINTH, MS  
JACKSON, MS  
MEMPHIS, TN  
TUPELO, MS

January 24, 2001

Mr. David Waddell  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
P.O. Box 198907  
Nashville, TN 37219-8907

RE: Application for Certificate to Provide Competing Local Telecommunications Services

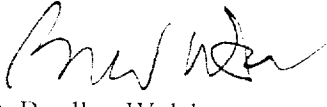
01-00090

Dear Mr. Waddell:

Enclosed is the original and thirteen copies of Dixie Net Communications, LLC's Application for Certificate to Provide Competing Local Telecommunications Services. I have also enclosed a check made out for \$25.00 to cover the filing fee. Although the 1999 financial statements are attached the accountants are preparing the 2000 audit and we will supplement this application upon its completion if you require us to do so. Please file the Application and return a copy stamped "filed" to me in the enclosed self-addressed stamped envelope.

Thanks for your assistance with this matter. Please let me know if we need to do anything further.

Sincerely,

  
D. Bradley Walsh

DBW/caw  
Enclosure

ENCLOSURE NO. 1/26/01  
001413 ENC. 28103  
FEE \$25.00  
FILED DATE 1/26/01

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

In the matter of the Application of )  
Dixie-Net Communications, LLC for )  
a Certificate to Provide Competing )  
Local Telecommunications Services )

C1-00090

**APPLICATION FOR CERTIFICATE TO PROVIDE  
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), Dixie-Net Communications, LLC ("Dixie-Net") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to Dixie-Net authority to provide competing local telecommunications service, including exchange access telecommunications services, within the State of Tennessee. Dixie-Net is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services.

*In support of its Applications, Dixie-Net submits the following:*

**1. The full name and address of the Applicant is:**

Dixie-Net Communications, LLC  
Post Office Box 28  
Ripley, Mississippi 38663  
(662) 837-8709

**Questions regarding this application should be directed to:**

D. Bradley Walsh  
Mitchell, McNutt, Threadgill, Smith, & Sams, P.A.  
Post Office Box 947  
Oxford, Mississippi 38655

**Contact name and address at the company:**

Karl Bullock  
Dixie-Net Communications, LLC  
Post Office Box 28  
Ripley, Mississippi 38663  
(662) 837-7080

**2. Names and address of all officers in Tennessee.**

The names and addresses of the Applicant's principal corporate officers and other senior managers responsible for Tennessee local operations are as follows:

Karl Bullock, Sr. Manager  
320 Nabors Drive  
Ripley, MS 38663

Jerry Windham, President  
140 County Road 412  
Ripley, MS 38663

**3. Corporate Information.**

Dixie-Net was formed in the State of Mississippi on March 5, 1998. A copy of Dixie-Net's Certificate of Formation is provided in Attachment A, and a copy of Dixie-Net's Authority to transact business in the State of Tennessee is provided in Attachment B.

**4. Repair and Maintenance Information.**

Dixie-Net understands the importance of effective customer service for local service customers. Dixie-Net will make arrangements for its customers to call the company at its toll-free customer service number. In addition, customers may contact the company in writing at the headquarters address. The toll-free number will be printed on the customers' monthly billing statements. In addition, customers may contact the company in writing.

**5. Status of Dixie-Net in other states.**

Dixie-Net has been granted CLEC status in the State of Mississippi and contemplates an Alabama filing concurrent with this Tennessee filing.

**6. Financial, Managerial and Technical Qualifications.**

Dixie-Net possesses the managerial, technical and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below.

**6.A. Financial Qualifications**

In support of its financial qualifications, Dixie-Net Communications, LLC submits the year-end 1999 compiled financial statements in Attachment C. Dixie-Net currently serves more than 13,500 customers in the State of Mississippi. Its principal lines of business are long distance and local communications.

The Company has a number of financing vehicles in place to ensure adequate liquidity in meeting its anticipated funding needs. The Company is in contact with several potential financing sources to provide capital if needed to fund expansion of the Company.

**6.B. Managerial Qualifications**

As shown in Attachment D to this Application, Dixie-Net has the managerial experience to successfully operate a telecommunications enterprise in Tennessee. Dixie-Net managers have been able to implement a number of innovative measures to meet consumer needs. The backgrounds of these key executives, combined with the telecommunications history of Dixie-Net's sister company, ISP Associates, Inc., is clear evidence that Dixie-Net possesses the managerial qualifications required to provide local service.

#### **6.C. Technical Qualifications**

Dixie-Net will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the same manner and form as required of incumbent local exchange telecommunications companies with which Dixie-Net seeks to compete. Dixie-Net will meet the minimum basic local standards, including quality of service and billing standards required of all LECs regulated by the TRA. Dixie-Net will comply with TRA rules, including Chapter 1220-4-8.

By virtue of its Mississippi operations, Dixie-Net has obtained a great deal of knowledge on how the capabilities of an ILEC can be used by a CLEC and will be able to take full advantage of the resources, expertise and technical capabilities of its underlying carriers, the incumbent local exchange carriers. Consequently, the quality of service that Dixie-Net's local exchange customers receive will be at least equivalent to that provided by these LECs.

As the foregoing illustrates, Dixie-Net possesses considerable telecommunications expertise, acquired by providing service to consumers. Thus, Dixie-Net is certainly technically qualified to provide local exchange service in Tennessee.

#### **7. Proposed Service Area.**

The applicant proposes to offer its services throughout the State of Tennessee in areas currently served by BellSouth and Sprint/United which are designated open to competition. Marketing efforts will initially be concentrated on the Memphis area.

**8. Types of Local Exchange Service to be provided.**

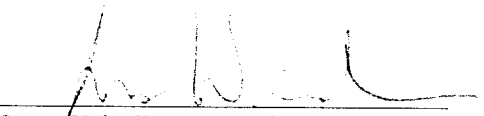
Dixie-Net expects to offer a broad variety of local exchange services, primarily to business customers in Tennessee. Dixie-Net's initial line of local services will be comparable to that currently offered by the incumbent LECs. Initially, Dixie-Net plans to offer basic access line service, PBX and DID Services, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-04(3)(b) and (c).

**9. Statement of Compliance.**

Dixie-Net agrees to abide by all applicable statutes and all applicable Orders, rules and regulations entered and adopted by the Tennessee Regulatory Authority.

Respectfully submitted this 31 day of October, 2000

Respectfully submitted,  
Dixie-Net Communications, LLC

  
\_\_\_\_\_  
Jerry Windham, President  
140 County Road 412  
Ripley, Mississippi 38663

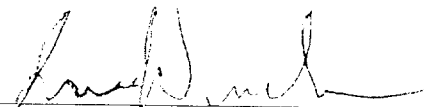
Dated: 10/31/00

## VERIFICATION

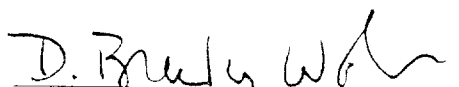
STATE OF MISSISSIPPI

COUNTY OF TIPPAAH

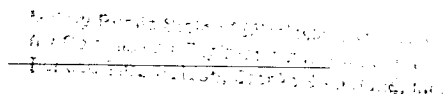
Jerry Windham, being first duly sworn, deposes and says: That he is the President of Dixie-Net Communications, LLC, the applicant in the above proceeding, that he has read the foregoing application, and knows the contents thereof; and that he is authorized by Dixie-Net Communications, LLC to verify that the contents of the applications are true.

  
Jerry Windham, President  
140 County Road 412  
Ripley, Mississippi 38663

Subscribed and sworn to before me  
this 31<sup>st</sup> day of October, 2000.

  
Notary Public  
State of Mississippi

My commission expires:



ATTACHMENT "A"

Dixie-Net Communications, LLC  
Certificate of Formation



Customer Nr 0003209 Invoice No. 261023



Please visit our Web site at:  
<http://www.sos.state.ms.us>

**Mississippi Secretary of State**  
**401 Mississippi Street**  
**P.O. Box 136**  
**Jackson, MS 39205**  
**601-359-1633**

REPORT DATE: 03/05/1998

Bill to:

MITCHELL MCNUTT ET AL  
P.O.BOX 947  
OXFORD MS 38655

(Fold Here)

Ship to:

MITCHELL MCNUTT ET AL  
P.O.BOX 947  
OXFORD MS 38655-

Clerk: DBP Division: 10

Qty	Description	@	Unit Cost	Debit Amt	Credit Amt
1	F0100 - CERTIFICATE OF FORMATION		\$50.00	\$50.00	
	03/05/1998 - Note: DIXIE NET COMMUNICATIONS, LLC				
	PAYMENT-CHECK #000298 - 03/05/1998				\$50.00

BALANCE	\$0.00
---------	--------

RECEIVED

MAR 09 1998

OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
P.O. BOX 136, JACKSON, MS 39205-0136 (601) 359-1333  
Certificate of Formation



The undersigned, pursuant to Senate Bill No. 2395, Chapter 402, Laws of 1994, hereby executes the following document and sets forth:

**1. Name of the Limited Liability Company**

⇒

Dixie Net Communications, LLC

**2. The future effective date is**  
(Complete if applicable)

**3. Federal Tax ID**

⇒

Pending

**4. Name and Street Address of the Registered Agent and Registered Office is**

⇒

Name

Brad Walsh

⇒

Physical  
Address

1216 Van Buren Avenue

⇒

P.O. Box

Post Office Box 947

⇒

City, State, ZIPS, ZIP4

Oxford

MS

38655 -

**5. If the Limited Liability Company is to have a specific date of dissolution, the latest date upon which the Limited Liability Company is to dissolve**

⇒

December 31, 2048

**6. Is full or partial management of the Limited Liability Company vested in a manager or managers? (Mark appropriate box)**

⇒

☐

Yes

☒

No

**7. Other matters the managers or members elect to include**

⇒

⇒



This page conforms with the duplicate original filed with the Secretary of State.

*Eric Clark*  
Secretary of State

OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
P.O. BOX 136, JACKSON, MS 39205-0136 (601) 359-1333  
Certificate of Formation

By: Signature

(Please keep writing within blocks)

Printed Name

Jerry Windham

Title

President

Street and Mailing Address

⇒ Physical Address

140 CR 442

⇒ P.O. Box

Post Office Box 28

⇒ City, State, ZIPS, ZIP4

Ripley

MS

38663 -

By: Signature

(Please keep writing within blocks)

Printed Name

Title

Street and Mailing Address

⇒ Address

⇒ P.O. Box

⇒ City, State, ZIP5, ZIP4

This page conforms with the duplicate original filed with the Secretary of State.

  
Eric Clark  
Secretary of State

ATTACHMENT "B"

Dixie-Net Communications, LLC  
Authority to Transact Business  
in the State of Tennessee

**Secretary of State**  
**Division of Business Services**  
**312 Eighth Avenue North**  
**6th Floor, William R. Snodgrass Tower**  
**Nashville, Tennessee 37243**

DATE: 11/20/2000  
REQUEST NUMBER: 4058-0347  
TELEPHONE CONTACT: (615) 741-2200  
FILE DATE/TIME: 11/28/00 0911  
SUBJECT OR DATE/TIME: 11/20/00 1941  
CONTROL NUMBER: 0350343

TO:  
MR. JIMMY MONROE THREADGILL SMITH & SONS  
P. O. BOX 947  
GARDEN, MS 38655

FROM:  
DIVISION OF BUSINESS SERVICES, LLC  
APPLICATION FOR CERTIFICATE OF AUTHORITY -  
LIMITED LIABILITY COMPANY

WE COME TO THE STATE OF TENNESSEE. THE ATTACHED LIMITED LIABILITY COMPANY  
CERTIFICATE OF AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED  
ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF  
STATE OR BUSINESS THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE  
LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN  
RECEIVED, PLEASE PRINT THE FIRST MONTH OF THE FISCAL YEAR TO THE LIMITED  
LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING  
ADDRESS PROVIDED TO THE OFFICE IN WRITING. FAILURE TO FILE THE REPORT OR TO  
COMPLY TO ADMINISTRATIVE REVOCATION OF THE CERTIFICATE OF AUTHORITY.

WE, A CORRESPONDING WITH FULL OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE  
REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE.

FROM:  
MR. JIMMY MONROE THREADGILL SMITH & SONS  
P. O. BOX 947  
GARDEN, MS 38655-0000

TO: OFIB: 11/20/2000

RECEIVED: 0800.00 10.00

TOTAL PAYMENT RECEIVED: 0800.00

RECEIPT NUMBER: 00002768526  
ACCOUNT NUMBER: 00145757



*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

State of Tennessee



Department of State  
Corporate Filings  
312 Eighth Avenue North  
6th Floor, William R. Snodgrass Tower  
Nashville, TN 37243

APPLICATION FOR  
CERTIFICATE OF AUTHORITY

For Office Use Only

FILED

2009 NOV 28

9:11

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of § 48-246-301 of the Tennessee Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the Limited Liability Company is: Dixie-Net Communications, LLC

If different, the name under which the certificate of authority is to be obtained is: \_\_\_\_\_

**NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign Limited Liability Company if its name does not comply with the requirements of § 48-207-101 of the Tennessee Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to § 48-207-101(d).**

2. The state or country under whose law it is formed is: Mississippi

3. The date of its organization is: 3/5/98 (must be month, day and year)

4. The complete street address (including zip code) of its principal office is:

140 CR 442

Ripley, MS

38663

Street

City/State

Zip Code

5. The complete street address (including the county and the zip code) of its registered office in Tennessee:

1255 Lynnfield Rd

Memphis, TN

Shelby 38119

Street

City/State

County

Zip Code

The name of its registered agent at that office is: D. Bradley Walsh

6. The number of members at the date of filing 6

7. If the limited liability company commenced doing business in Tennessee prior to the approval of this application, the date of commencement (month, day and year) N/A

**NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of the Limited Liability Company records in the state or country under whose law it is organized. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.**

11/01/00  
Signature Date

\_\_\_\_\_  
President

\_\_\_\_\_  
Signer's Capacity

Dixie - Net Communications, LLC

\_\_\_\_\_  
Name of Limited Liability Company

Jerry Windham  
Signature

\_\_\_\_\_  
Jerry Windham

\_\_\_\_\_  
Name (typed or printed)

# State of Mississippi

Secretary of State's Office

Eric Clark

Secretary of State  
Jackson, Mississippi

## CERTIFICATE

I, ERIC CLARK, Secretary of State of the State of Mississippi, and as such the legal custodian of the records as required by The Mississippi Limited Liability Company Act to be filed in my office do hereby certify that:

DIXIE NET COMMUNICATIONS, LLC

Formed March 05, 1998

A Mississippi Limited Liability Company has filed the necessary documents in this office and has obtained a certificate of formation under the provisions of The Mississippi Limited Liability Company Act as shown by the records in this office.

That the registered office of said Limited Liability Company is located at:

1216 VAN BUREN AVE  
PO BOX 947  
OXFORD MS 38655

and that the registered agent at that address is:

BRAD WALSH

I further certify that said Limited Liability Company has paid the fees for filing the above papers required by law as shown by the records of this office and that said Limited Liability Company is in good standing to do business in Mississippi at this time.



Given under my hand  
and seal of office  
November 22, 2000

A cursive handwritten signature of Eric Clark.

ERIC CLARK,  
Secretary of State



Customer No 00003209

Invoice No. 727147



Please visit our Web site at:  
<http://www.sos.state.ms.us>

*Mississippi Secretary of State*  
*401 Mississippi Street*  
*P.O. Box 136*  
*Jackson, MS 39205*  
*601-359-1633*

REPORT DATE: 11/22/2000

## Bill to:

ATTN: CINDY WILSON  
MITCHELL MCNUTT ET AL  
P.O.BOX 947  
OXFORD MS 38655

(Fold Here)

## Ship to:

MITCHELL MCNUTT ET AL  
P.O.BOX 947  
OXFORD MS 38655-

Clerk: FWS Division: 10

Qty	Description		Unit Cost	Debit Amt	Credit Amt
1	CERTIFICATE OF EXISTENCE - MLLC	@	\$25.00	\$25.00	
	11/22/2000 - Note: DIXIE NET COMMUNICATIONS, LLC				

AMOUNT DUE:	\$25.00
-------------	---------

NOTE: PAYMENT DUE UPON RECEIPT. PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT.



Customer N~ 00003209

Invoice No. 727147



Please visit our Web site at:  
<http://www.sos.state.ms.us>

*Mississippi Secretary of State*  
*401 Mississippi Street*  
*P.O. Box 136*  
*Jackson, MS 39205*  
*601-359-1633*

REPORT DATE: 11/22/2000

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MITCHELL MCNUTT ET AL  
P.O.BOX 947  
OXFORD MS 38655

(Fold Here)

## Ship to:

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OXFORD MS 38655-

Clerk: FWS Division: 10

Qty	Description	@	Unit Cost	Debit Amt	Credit Amt
1	CERTIFICATE OF EXISTENCE - MLLC		\$25.00	\$25.00	
	11/22/2000 - Note: DIXIE NET COMMUNICATIONS, LLC				

AMOUNT DUE:	\$25.00
-------------	---------

NOTE: PAYMENT DUE UPON RECEIPT. PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT.

LAW OFFICES  
**MITCHELL, McNUTT, THREADGILL, SMITH & SAMS**  
A PROFESSIONAL ASSOCIATION

1216 VAN BUREN  
POST OFFICE BOX 947  
OXFORD, MISSISSIPPI 38655-0947  
(662) 234-4845  
FACSIMILE NO. (662) 234-9071

GUY MITCHELL, SR. (1881-1969)  
GUY MITCHELL, JR. (1912-1986)

L. F. SAMS, JR.  
TAYLOR B. SMITH  
GUY W. MITCHELL, III  
WILLIAM C. SPENCER  
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D. BRADLEY WALSH\*  
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JAMES P. WILSON, JR.\*\*  
DAVID K. PHARR  
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J. CHADWICK MASK  
DAVID A. PRATHER\*  
HOLLY S. MATHEWS\*\*  
DAVID W. SHELTON  
TERENCE L. HIGH

COUNSEL  
SONIA A. JENKINS  
ELIZABETH JANE HICKS\*\*\*

OF COUNSEL  
R. N. McNUTT  
WILLIAM J. THREADGILL  
WADE H. LAGRONE  
W. H. JOLLY, JR.

\*ALSO ADMITTED IN TN  
\*\*ALSO ADMITTED IN AL  
\*\*\*ALSO ADMITTED IN NY

OTHER OFFICES:  
COLUMBUS, MS  
CORINTH, MS  
JACKSON, MS  
MEMPHIS, TN  
TUPELO, MS

November 22, 2000

Office of the Tennessee Secretary of State  
Corporate Filings  
312 Eighth Avenue North  
6<sup>th</sup> Floor, William R. Snodgrass Tower  
Nashville, TN 37243

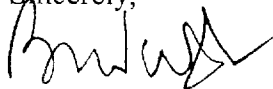
RE: Filing Application for Certificate of Authority

Dear Sir:

Enclosed please find the application for Certificate of Authority for filing along with our firm's check for \$300.00. I would appreciate your filing this and returning to me in the enclosed self-addressed stamped envelope.

Thank you for your attention to this matter.

Sincerely,



D. Bradley Walsh

DBW/caw  
Enclosures

ATTACHMENT "C"

Dixie-Net Communications, LLC Year-End 1999  
Compiled Financial Statements

DIXIE NET COMMUNICATIONS, LLC

STATEMENT OF OPERATIONS AND MEMBERS' CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(See Accountants' Compilation Report)

---

Revenue

Fees in-state	146,564
Revenue resale	2,009
Rental income	<u>6,000</u>
Total Revenue	154,573

Cost of Sales

Cost of service resale	<u>1,713</u>
Gross Profit	152,860

Operating Expenses

Depreciation	74,208
Inter-connect fees	30,286
Interest expense	34,654
Legal and accounting	77,075
Management fees	14,102
Miscellaneous	732
Office expense	2,729
Other fees	2,179
Small tools and supplies	2,751
Telephone and utilities	<u>1,758</u>
Total Operating Expenses	<u>240,474</u>
Net Loss	(87,614)

Members' Capital (Deficit):

Beginning of the Year	1,500
Member Capital Contributions	<u>30,000</u>
End of the Year	<u>(56,114)</u>



**ROWLAND & CARTER, PLLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

TOM ROWLAND

BENNY J. CARTER

7953 Stage Hills Blvd. • Suite 110 • Memphis, Tennessee 38133  
(901) 432-3000 • Fax (901) 432-3001  
Members of American Institute of Certified Public Accountants

To the Members  
Dixie Net Communications, LLC  
Ripley, Mississippi

**ACCOUNTANTS' COMPILATION REPORT**

We have compiled the accompanying balance sheet of DIXIE NET COMMUNICATIONS, LLC, as of December 31, 1999, and the related statement of operations and members' capital for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Rowland & Carter*

Memphis, Tennessee  
March 11, 2000

**DIXIE NET COMMUNICATIONS, LLC**

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DIXIE NET COMMUNICATIONS, LLC

BALANCE SHEET

DECEMBER 31, 1999

(See Accountants' Compilation Report)

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ASSETS

Current Assets

Cash in bank	3,619
Accounts receivable	47,937
Rent receivable	<u>6,000</u>
Total Current Assets	57,556

Property and Equipment

Land	5,000
Building	125,661
Furniture and fixtures	6,610
Equipment	<u>508,355</u>
Total Cost	645,626
Less: Accumulated Depreciation	<u>74,208</u>
Net Property and Equipment	<u>571,418</u>

Total Assets	<u>628,974</u>
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LIABILITIES AND MEMBERS' CAPITAL

Current Liabilities

Notes payable - Current	94,257
Accounts payable	26,613
Sales tax payable	5,292
Accrued interest payable	15,086
Due to ISP Associates, Inc.	<u>63,556</u>
Total Current Liabilities	204,804

Long-Term Liabilities

Notes payable - Less current maturities	<u>480,284</u>
Total Liabilities	685,088

Members' Capital

Members' capital (Deficit)	<u>(56,114)</u>
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Total Liabilities and Members' Capital	<u>628,974</u>
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ATTACHMENT "D"

Dixie-Net Communications, LLC  
Managerial Qualifications

## MANAGEMENT

### ***Jerry Windham      Chief Executive Officer, Chairman of the Board***

Jerry Windham, one of the founders of the company, has a strong background as an entrepreneur in the retail and wholesale industries, his business interests includes three successful retail operations and a large wholesale interest in North Mississippi. He is a graduate of the University of Mississippi with a degree in Accounting.

### ***Karl Bullock      Chief Operating Officer, Chief Technology Officer***

Karl Bullock, one of the founders of DixieNet has a background in Business Management in both the retail and service sectors, as well as a strong background in the telecommunications industry. He has successfully managed several businesses, including a software company he started in 1985.

### ***Duane Bullard      Director of Sales and Marketing***

Duane Bullard, Director of Sales and Marketing, has extensive experience in Management and Administration. Before joining DixieNet, Mr. Bullard held management positions in two manufacturing concerns, served as Director of Economic and Community Development for Northeast Mississippi Community College, and currently serves on many local, regional, and state boards in the areas of Business and Industrial Development.

### ***Chris Marsalis      Director ISP Operations***

Chris Marsalis, currently Director of ISP Operations, has experience in manufacturing, production, as well as in network operations, and has served as Technology Discovery instructor in the state educational system. A graduate of the University of Mississippi, Mr. Marsalis first joined the company in 1997 and has managed ISP Operations since 1998.

### ***Amy Bullock      Director of Advertising***

Amy Bullock, Director of Advertising, has experience in both the retail and service sectors, as well as having served on the board of directors of an evangelistic association. Mrs. Bullock has strong organizational skills, and serves as Executive Assistant to the Management Team.